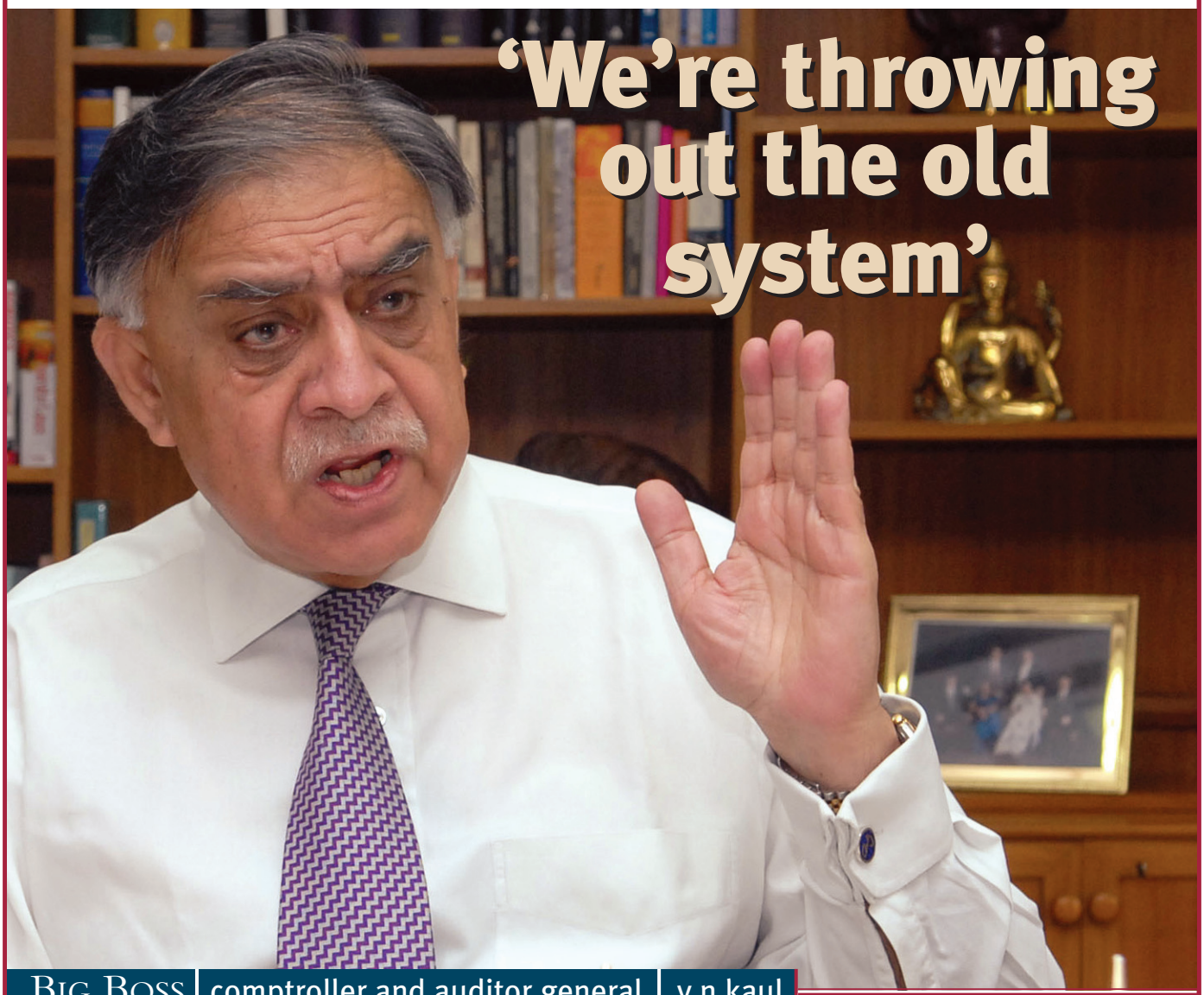
Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 1

VOL. 1, ISSUE 5 | AUGUST 2007 | RS 200
R.N.I. NO: DELENG/2007/19719

INVESTIGATION
UCO BANK'S DECEPTION

ias turns 60: pride or shame? p3 & p9
pmo: downgrading the cabinet secretary p8
mayawati's trishul: satish chandra mishra p10
whistleblower's blog p14

gfiles
INSIDE THE GOVERNMENT



'We're throwing out the old system'

BIG BOSS | comptroller and auditor general | v n kaul

interviewed by ANIL TYAGI

Vijayendra Nath Kaul joined the Indian Administrative Service in 1965 after securing a postgraduate degree in history from St Stephen's College, Delhi. He was sent to the United Nations in 1991 and was adviser, trade policy for the Asia-Pacific region for UNESCAP in Bangkok for seven years. An expert in international trade and finance, he is a fellow of the World Bank's Economic Development Institute and also external auditor of the Food and Agriculture Organization, the World Health Organization, the International Maritime Organization, and the World Tourism Organization. He has also been Secretary to the Government of India in the Ministries of Coal, Chemicals & Fertilizers, and Petroleum & Natural Gas. He is fond of bridge, tennis and golf.

gfiles: *Where do we stand globally?*
VN Kaul: We are much ahead of others in the world. Nobody in the world is as independent as we are. Our CAG is the most important and independent body in the world. Even in the US, the CAG is under Congress. In India, we are answerable to neither the executive nor Parliament.
gfiles: *But don't you have political pressures?*
VNK: No. There are absolutely no political pressures. In the past five-and-a-half years, I have never ever been asked by any

→

Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 2

contents

OUT OF THE BOX
itc's inspiring initiative to empower marginal farmers
5

BRIC-A-BRAC
the wide gamut of emotions in up's corridors of power
6

MANDARIN MATTERS
the principal secretary's rise; the ias' 60th birthday
8

MASTERMIND
the brahmin arrow in Mayawati's quiver
10

TALK TIME
the wife of a crusading officer speaks about persecution
14

FIRST STIRRINGS
prabhat kumar's honest, warm recollections
16

DIGGING IT OUT
how uco bank officials have succumbed to the lure of lucre
18

MILESTONES
two angels in the heart of naxal-infested jharkhand
19

STOCK DOCTOR
a long-term strategy is the best in the indian market
21

BY THE WAY
what a sparrow told us about pratibha's election, raw, and sex education
22

BIG BOSS

political person to do him a favour or yield to pressure.

gfiles: *Do you have competent manpower?*

VNK: If you are talking of competence in terms of knowledge then lack of knowledge is not a question. Sometimes it might happen. Criticism is there. But, by and large, our audit team is fairly competent compared to any other similar organization in the world.

gfiles: *I mean the level of technical know-how of the personnel, technical competence…*

VNK: We are adopting new technologies and gearing up for a complete IT audit system. In spite of a manual audit system, I would say manpower is not a constraint. We have the largest manpower in the world, with the exception of China. Our strength is 55,000. Though we have abolished 4,000 posts this year, I can still keep up to 72,000 people. Here, the question is not of manpower but of changing and improving the system.

gfiles: *Are you shifting to double entry system?*

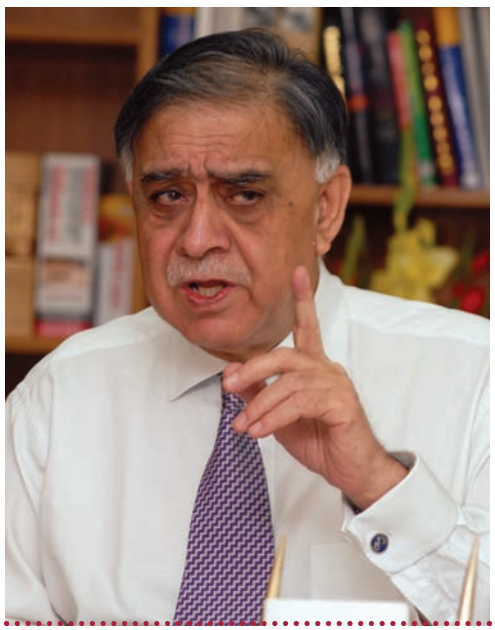
VNK: Yes, accrual accounting is a fundamental change. We have inherited the cash accounting system from the British. The system is simple – receive cash and do the expenditure with voucher entries. But the system is now inadequate and outdated. We are modernizing. The government is planning to shift to accrual accounting. We have constituted a board headed by the Deputy CAG to study, analyse and implement the new system. All the heads from railways to public sectors to financial commissioners of the state governments have been included in the board. Now the question is how the transition from cash to accrual accounting can create a difference in our system.

gfiles: *Why has it not been implemented for so long?*

VNK: For the last five years, the accrual system is being discussed. The Ministry of Finance has to decide to implement the system. The road map is ready. The simplicity of the cash system is the main hurdle. The advantages of the accrual system have to be brought to the notice of the Central as well as the state governments. It is similar to commercial accounting. The cash system allows no long-term decisions.

gfiles: *What is the cost of shifting from cash to accrual auditing?*

VNK: The cost varies from state to state and organization to organization. The cost of training is important. We have to upgrade the system. It requires greater effort. It will amount to overhauling the entire present system.



PHOTOS: RAJIV TYAGI

'As regards our performance, I must tell you that for every rupee incurred on audit, the recovery is 11 rupees. This proves our brilliant performance'

gfiles: *What are the advantages of the accrual system?*

VNK: We will have a better comprehensive physical system which will be more transparent than the existing one.

gfiles: *What is the national opinion about it?*

VNK: A period of education is required. Almost all the states have agreed to adopt the accrual system except one. Railways and the postal department are ahead of

Continued on page 4

Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 3

gfiles
INSIDE THE GOVERNMENT

VOL.1, ISSUE 5 | AUGUST 2007

Inderjit Badhwar | EDITOR-IN-CHIEF
Anil Tyagi | EDITOR
Yana Banerjee-Bey | DEPUTY EDITOR
Renu Mittal | POLITICAL EDITOR
G S Sood | BUSINESS EDITOR
Arun Lavania | MANAGING EDITOR
Soumya Bandhopadhyay | EDITOR – EAST
Ashwini Tyagi, Avtar Kaul | SENIOR EDITORS
Hemant Tyagi | SPECIAL CORRESPONDENT
Rakesh Bhardwaj | SPECIAL CORRESPONDENT
Graphis Inc | ART DIRECTION & DESIGN
Sudhir Kumar | MANAGER – LOGISTICS
Harjeet Singh | MANAGER – SALES
Sumer Singh | ASSISTANT MANAGER – LOGISTICS
Sharad Saxena | PHOTOS
Rakesh Arora | DIRECTOR – MARKETING
Kaushal Kaushik, Rajeev Saxena | LEGAL CONSULTANTS
Pradeep Tyagi, Nipun Jain | FINANCES

CONTACT DETAILS
118, 2ND FLOOR, DDA SITE 1,
NEW RAJINDER NAGAR, NEW DELHI – 110 060
TEL/FAX: +91-11-28744789, +91-11-45082832,
+91-11-20544692
e-mail: gfilesindia@gmail.com
www.gfiles.info

ADVERTISING & MARKETING
Rakesh Arora | LIFETIME MEDIA COMMUNICATION
DA-4, 103, BUSINESS CENTRE, VIKAS MARG,
LAXMI NAGAR, NEW DELHI – 110 092

All information in gfiles is obtained from sources that the management considers reliable, and is disseminated to readers without any responsibility on our part. Any opinions or views on any contemporary or past topics, issues or developments expressed by third parties, whether in abstract or in interviews, are not necessarily shared by us. Copyright exclusively with Sarvashrestha Media Pvt. Ltd. All rights reserved throughout the world. Reproduction of any material of this magazine in whole, or in part(s), in any manner, without prior permission, is totally prohibited. The publisher accepts no responsibility for any material lost or damaged in transit. The publisher reserves the right to refuse, withdraw or otherwise deal with any advertisement without explanation. All advertisements must comply with the Indian Advertisements Code.

Published and printed by Anil Tyagi on behalf of
Sarvashrestha Media Pvt. Ltd at Mayur Print House,
A 29/1 Naraina Industrial Area, Phase-1, New Delhi-110028

All disputes are subject to the exclusive jurisdiction of competent courts in New Delhi only

Jai Hind! Sixty Years of Independence

THIS fifth issue of gfiles coincides with the nation's 60th year of independence. Our civil services celebrate the same birthday. Some of the articles we are carrying – MG Devasahayam, Prabhat Kumar, the interview with Jayashree JN – smack, at first sight, of negativism. They appear to reinforce a view that, given the state of affairs of the IAS and allied government services, there is really nothing to celebrate.

But we miss the silver lining that encircles this dark perception. What we are really seeing is an emotive outburst of idealism. They're saying: Let's get back to first principles – justice, equity, fair play, service to the poor. These qualities have often been sacrificed at the altar of those vested interests that see the state as a private milch cow.

As we enter our 60th year, we must reaffirm the true tenets of republican democracy: the people of this land are the true sovereigns, governments and politicians are their servants. The civil services are based on a merit and not a spoils system in which the political victors of an election misuse this institution to consolidate the gains of a war. Institutional protections – among them job security – are given to civil servants to shield them from official retaliation when they refuse to bow blindly to whimsical or extra-constitutional diktats. The IAS Academy in Mussoorie and the Police Academy in Mount Abu surely must have taught their students that when they enter the services their oath of loyalty is to the Constitution and not to any individual political boss.

Actually, it is the affirmative duty of this vast body of civil servants, policemen, foreign service officers, and the corporate bureaucrats in our public sector undertakings and *navratnas* – who provide continuity and stability to this nation's governance and are a bulwark against anarchy – to help ensure that the rudder of the ship of state does not, by default or design, fall into the grip of elements who would steer it into a quagmire of greed and venality.

Speaking of first principles, our civil services, ideally, are a national help desk: justice and equality of opportunity for the needy and disenfranchised, a level playing field for business and industry, protection for women and minorities, encouragement to art and science and innovation. To many who live in the "practical" world of realpolitik, this smacks of idealism. But, believe it or not, our services are full of idealists who believe that they are not mere puppets in the hands of vested interests, and who believe that real civil service reform means freeing themselves from the puppeteers.

INDERJIT BADHWAR
Editor-in-Chief

LETTERS Excellent! Nicely-produced magazine. Such a magazine was the need of the hour. The Yogendra Narain, Aruna Roy and Ghulam Nabi Azad articles were informative and educative.
Hari Shanker, OSD to Minister of State for Urban Development

The contents of gfiles are very impressive and I can see the work put in by the team.
Chandra Anand, US

The magazine is a nice idea. We were lacking on this front. Yogendra Narain's interview is bold and inspiring. Keep it up.
Dr PC Patanjali, former VC, Poorvanchal University, Uttar Pradesh

A magazine on governance was glaringly absent. gfiles looks at governance from all possible angles.Yogendra Narain's experience in Uttar Pradesh and in the Central government will certainly guide the new generation of civil servants. But Bric-a-brac and By the Way should have more space.
Ambrish Kumar, Chief of Bureau, Jansatta, Lucknow

Interesting reading! A good magazine!
Deepak Vohra, Ambassador of India, Khartoum II, Sudan

Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 4

others. Civil accounts area is a problem.

gfiles: *Sometimes you submit a report indicating the anomalies of a department, state government or PSU. Then it is submitted to the Public Accounts Committee and to Parliament. But often the individuals named escape with impunity…*

VNK: The response from the Central and state governments has to improve. It is a lengthy process. Sometimes we write just a paragraph and the state department or the concerned department replies to it. The problem with the government is that its response is often dismal. I do not feel that our efforts go down the drain at the end of the day. Regardless of whether the government responds to or complies with our findings, we are doing our job.

gfiles: *But you are policing economic crime. Officers or individuals misappropriate crores of rupees – as pointed out in your various audited reports. But ultimately they succeed in saving their skin and the economic crime does not seem to carry weightage.*

VNK: Yes, there is a need to improve. We have to value money.

gfiles: *Don't you think the CAG should have penalizing powers?*

VNK: It already has a great deal of responsibility. Punishment is a judicial act. We do not want to dilute our role. If somebody has misappropriated government funds, the CAG says it publicly. As per the Constitution, any such talk would amount to undermining the role of the judiciary. Our role is well defined.

gfiles: *There is a proposal that the CAG, CBI and CVC be allowed to work together so that financial mismanagement can be checked then and there.*

VNK: What structure the government needs is a policy matter. I have no comments to offer. Corruption is a complex phenomenon pervading the wider spectrum. We send advisories to the government. We prepare audit guidelines. We send performance reports. The Secretaries of the government take note of our advisories – that is, our role.

gfiles: *Times are changing, so is the technology. Are you adopting e-accounting?*

VNK: We are fairly advanced in IT audit system. We have already conducted IT audits. Reports are there. Andhra Pradesh is far ahead of other states. We are developing skill but there is a cost factor involved.

gfiles: *Every year, the Prime Minister announces flagship programmes like Jawahar Rozgar Yojna, Antyodaya Yojna, Indira Awas Yojna. Does their implementation live up to the expectations of the masses?*

VNK: The CAG does performance audits. We are vigilant. Beneficiary surveys are done. We try to audit all the programmes as much as possible. Whenever a new scheme is announced, we write letters to the Deputy Chairman of the Planning Commission, informing him of the track record of past schemes.

gfiles: *But does the flow of funds really go down to the common man?*

VNK: It is very difficult to find the financial accessibility in the system. Figures sometimes do not depict the true picture. So we do the overall performance report.

gfiles: *What is the expectation of the government from you and do you think you perform up to it? You spend Rs 714 crore.*

VNK: Government expectation is very high. There is always an expectation unmet. As regards our performance, I must tell you that for every rupee incurred on audit, the recovery is 11 rupees. And this proves our brilliant performance.

gfiles: *There are eight lakh companies registered with the Ministry of Corporate Governance. For the country's financial health, the CAG should have a role to play in all these companies?*

VNK: We have neither skill nor infrastructure nor the desire to involve ourselves. It's not our role and we are not cut out for this.

gfiles: *In almost all the Central ministries, IAS officers man the post of Financial Officer. Why are they not manned by officers from the Accounts and Audit Service?*

VNK: It is not a question of this service or that service. But I would prefer skilled officers be appointed to these posts to sharpen and improve the quality of work. Officers should at least know how to read the balance sheets. I have already written to the government about it and it is up to it to take the decision. g

A job well done, and the figures for it

- The CAG has prepared 130 Audit Reports for presentation to Parliament, and State and Union Territories' legislatures under Article 151 of the Constitution.
- The Audit Reports to Parliament and State/Union Territories for 2004-05 contained performance audits on 211 topics and 2,908 transaction audit paragraphs, besides opinion/comments on accounts.
- The aggregate money value of the audit findings in the Audit Reports, calculated on the basis of norm/criteria determined by CAG, was a massive Rs 12,782 crore.
- For every rupee spent on audit functions, the CAG realized Rs 11 by way of recoveries made at the instance of audit. The total recoveries at the CAG's instance accepted by the Departments of the Central and State governments during the year was Rs 7,996 crore.
- The CAG issued audit certificates/opinion in 16,013 cases during the year.
- The CAG audited at least 1.49 crore vouchers (Central audit) and issued 39,179 Audit Notes.

'Punishment is a judicial act. We do not want to dilute our role. If somebody has misappropriated government funds, the CAG says it publicly'

Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 5

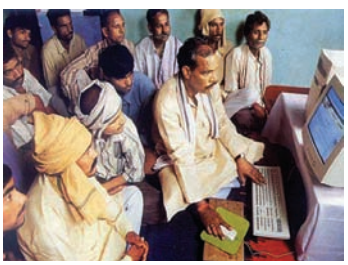
VILLAGERS' WALMARTS

ITC is trying to achieve what government was supposed to do – empowering marginal farmers and transforming rural India into a new powerhouse of financial clout

MY company has taken a giant stride in attempting to solve what appeared to be an impossible problem by using digital technology to be able to link with the small and marginal farmer and provide him information and knowledge which otherwise would not be available to him. Unfortunately, the traditional government "extension services" have lacked motivation on the part of the service providers. What ITC has done is to package scientific and agricultural knowledge that has been flowing from research in Indian universities and related institutions and channel it into villages. We call this e-Choupal. It is not that complicated. You provide software in the local language and customize the information, keeping in mind the farmer's requirements.

For every six or seven villages there is one e-Choupal. The purpose is not only to empower the farmer with information and knowledge but also to convert village communities into virtual producer cooperatives. The farmers now receive valuable information as well as farm inputs that previously were unavailable or unreliable–varieties of seeds, germination information and the like. The *sanchalak* assures availability and helps supervise best farm practices in order to raise farmer confidence levels, as well as negotiates with the suppliers to make available the finest inputs at the lowest cost.

A common question is how we make money. We have circumvented this problem by establishing multiple transactions riding a particular channel. We call this the Choupal-*sagar*. If a village community does not have the capacity to spend and you still want to connect the village community, you recover the cost by creating a highway – a low-cost, high-quality fulfilment channel that allows access to multiple users. Anybody who wants to reach these village populations with their goods and services has to use ITC's toll road, so if you want to sell a tractor you are most welcome to do so based on our fulfilment channel, but you will have to pay a toll fee for it. At the moment, about 40 other companies are marketing their goods and services through these channels. After creating 5,300 e-Choupals in different states, we are expanding.



This is, in essence, a clearing house and a resource centre where input requirements like fertilizer, pesticides and seeds are available under one roof. Consumer items like sandals and needles as well as tractors and motorbikes are also available. This is, in other words, a combined information centre, credit union, storage facility, and supermarket for the village community. The *sanchalak* plays a pivotal role in this scheme by disseminating information to the village community. He also functions as a buyer for the five or six villages under his jurisdiction and can actually procure his requirements and negotiate those requirements on the basis of a virtual corporative of the village community. The *sanchalak* can even lease tractors. And if people cannot buy them, they can time-share.

Again, the valid question, how do you make it sustainable and what's in it for ITC? Actually, you cannot go and build a Choupal unless you are a buyer of agricultural commodities. ITC, originally a seller of cigarettes, got into the packaged foods business so that we could be buyers of agricultural commodities. And only as buyers of agricultural commodities could we establish e-Choupal in villages. The upshot has been that we got into packaged wheat flour. Today, within three years, we are number one – a brand leader – in this agricultural commodity. The lesson is that if you are a buyer and you can get high-quality inputs and you are also a marketer of branded goods, only then can you establish your infrastructure in the rural areas. We also started marketing salt, because it is an item of daily requirement in the villages. This was an opportunity for us to begin educating people about the health hazards associated with not consuming iodized salt. We are also into *agarbatti*s and matches because these are items of daily consumption. By creating multiple transactions and aggregating the number of goods and services that we could channel through this particular infrastructure, we were able to create a win-win economic equation that would enable us to defray the cost of this high degree of investment. Then we got into spices, and we are planning to venture into vegetable- based produce.

This is a combined information centre, credit union, storage facility, supermarket for the village community

I like to say we are going to be the Walmart of India. By this I mean the lowest cost delivery to people who need it most – 72 per cent of the population. And that is the potential market of tomorrow. If our village population begins to spend in the same ratio as its urban counterpart, it would spend twice as much as it does today. Fifty-five per cent of India's private household consumption arises out of the villages. If they were able to spend twice as much, a tsunami-like wave of economic activity would inundate the nation and lead to unparalleled prosperity and employment. g

The writer is Chairman, ITC

Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 6

Divided we stand

up loyalty split

THE change of power in UP has split the state bureaucracy vertically. The officers who ruled the state from a certain floor of the Secretariat during the previous regime have been relegated to the background.

Mulayam's Secretariat had Principal Secretary Anil Kumar, Secretary Anand Mishra, Secretary D Dipti Vilas, Special Secretaries Anita Singh, Chandrama Prasad Yadav, Shambhu Singh Yadav and Jagdev Singh. Of them, Anita Singh enjoyed the CM's trust the most. When an anonymous letter circulated in the state about her relations with Mulayam, he held a press conference and called the contents of the letter shameful. This has raised eyebrows as no CM had ever addressed the press in defence of any bureaucrat.

Two of the Mulayam regime's Chief

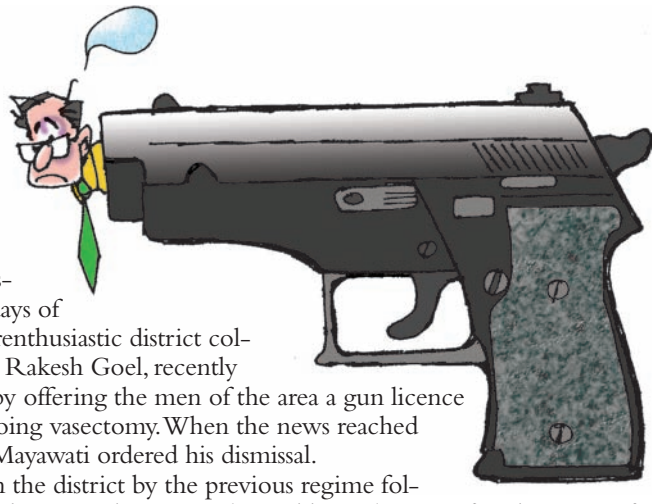
Secretaries, Akhand Pratap Singh and Neera Yadav, were voted the most corrupt officers of the state by the UP IAS Association in 1996. Yet Singh was granted an extension. He fitted into Mulayam's social engineering framework of Muslim, Yadav and Rajput. A petition challenging his extension was filed in the High Court. The court asked, "Does Uttar Pradesh not have any other able officer?" So Singh had to go. Similarly, Neera Yadav had to relinquish the post after a Supreme Court directive. She was subsequently made Chairman of the Revenue Board.

The third Chief Secretary, Naveen Chandra Bajpayee, was removed by the Election Commission after he participated in a political gathering organised by the Samajwadi Party to celebrate three years in office. Bajpayee showered poetic praise on Mulayam from the dais.

Now it is the turn of Mayawati's favourite officers to court controversy. Among the new arrivals on the fifth floor are Cabinet Secretary Shashank Shekhar Singh, Principal Secretaries Rohit Nandan, Shailesh Krishna, and Ashok Kumar, Secretaries Navneet Sehgal and Anup Pandey. The frontline officers have their own favourites – resulting in a vertically divided bureaucracy.

Gunning for Goel

vasectomy-licence furore



IN a move reminiscent of the dark days of the 1970s, an overenthusiastic district collector of Gorakhpur, Rakesh Goel, recently made the headlines by offering the men of the area a gun licence in return for undergoing vasectomy. When the news reached Lucknow, a furious Mayawati ordered his dismissal.

Goel was posted in the district by the previous regime following the communal tension that gripped Gorakhpur division after the arrest of the saffron MP, Yogi Aditya Nath. Goel had the single agenda of taming the belligerent politician.

Now Goel is at pains to clarify to everyone that he never laid down any such condition for obtaining a gun licence. All he meant to do was to encourage voluntary vasectomy, he says. A senior IAS officer in the CM's Secretariat is on his side, fuming, "When the government itself takes into account our performance in the field of family planning while granting promotions and increments, why this double standard and punishment?" Precedence is also in Goel's favour. The district collector of Jaunpur, Anurag Yadav, earned praise for issuing 20 gun licences to men who had undergone vasectomy during the previous regime of Mulayam Singh Yadav. Why Goel has been targeted for similar work is something that is baffling the bureaucracy. The grapevine says his reluctance to offer inducements to higher-ups made him a victim of discriminatory action.

Sunny days for kith and kin

pandey bounce-back

UNDER the aegis of the UP IAS Association, Vijay Shankar Pandey, an IAS officer of the 1979 batch, spearheaded the secret ballot campaign in December 1996 to identify the three most corrupt IAS officers of the state. Ironically, the crusader himself faced charges of corruption during his stint as Managing Director, UP Spinning Mills.

Pandey was Joint Secretary in the Ministry of Human Resource Development during Atal Behari Vajpayee's regime. He was sent back to UP immediately after the UPA came to power and served in obscure departments until Mayawati became Chief Minister. The new Brahmin-friendly dispensation came as a boon to him. Aware that a dissatisfied Pandey would create more problems for governance in the state through his campaign against corrupt officers, the Mayawati government rehabilitated him as Divisional Commissioner, Lucknow.

The officer now spends most of his time on the famous fifth floor of the Secretariat.

Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 7

ILLUSTRATIONS: ARUNA

Shailesh Krishna, the powerful Principal Secretary to the CM, sits on this floor and, being junior to Pandey, reportedly obliges him in matters of transfers and postings. Pandey has three brothers in the Provincial State Service and each has wangled a prized posting.

Harishankar Pandey was Joint Managing Director of the Uttar Pradesh State Industrial Corporation and became its chief within 20 days of his brother's rehabilitation. Ajay Shankar Pandey was Municipal Commissioner, Kanpur and now occupies the lucrative post of MC, Ghaziabad. The third brother has become Joint Director, Mandi Parishad. This has led to resentment among PCS officers as a number of them, serving in the Secretariat for five years, covet field postings.

Boot for Mayawati pet

fifth-floor tussle

THE inter-service rivalry between IAS and IPS officers is neverending and pervades every nook and cranny of the entire country. Immediately after coming to power in Uttar Pradesh, Mayawati inducted an IPS officer, Vijay Singh, as her Secretary. Singh got a seat on the fifth floor of the Secretariat, which houses the most powerful officers of UP. If Mayawati's track record is any indication, she has an affinity for IPS officers and always likes to keep them at the centre of power.

The IAS lobby was incensed by Singh's presence on the fifth floor. They also knew that he enjoyed direct access to the Chief Minister and this made them insecure. They collaborated in a conspiracy and started poisoning Mayawati's mind against him. The story fed to her was that Singh had misbehaved with the senior officers over differences regarding the sitting arrangements on the fifth floor. Singh has since been shifted out of the fifth floor, which amounts to being shifted out of power.

In a similar incident in 2002, again under Mayawati as Chief Minister, IPS officer Kashmira Singh had been shunted out of the fifth floor. Vijay Singh probably failed to learn from the past. g

Gfiles-Aug-07_mpp 8/5/07 1:25 AM Page 8

Of kings, coronets and cabinets

BY S NARENDRA

The principal secretary's emergence as a power centre has led to a leadership vacuum in the service

The visitors' room adjacent to the Cabinet Secretary's chamber has a board listing the names of people who have occupied this post since Independence. It has something instructive. The first few incumbents served three- to five-year stints, time enough for them to settle down and provide leadership to the entire bureaucracy.

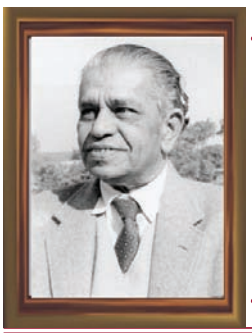
Since the retirement age in the Indian Civil Service (ICS) was 60 years – unlike the Indian Administrative Service (IAS) and other services – ICS-wallahs tended to be younger when they rose in their careers, and had long tenures. It was also the practice in those days to choose the younger from among the competing officers and allow them three to five years in each post, thus obviating the need for extending their tenures.

There was a rare case of a Cabinet Secretary taking up another assignment and then returning to the post. When younger and junior officers were chosen, the bypassed seniors sought premature retirement without a fuss.

In the recent past, officers selected on the basis of seniority have served in the post for barely 12 months. The principle of giving a fixed tenure of two years was first mooted by Prime Minister Rajiv Gandhi when the age of retirement was 58 years. That, even after it was increased to 60 years, the government had to think of two-year tenures for the incumbent shows the mismanagement of the civil services.

The Cabinet Secretary is the interface between the Council of Ministers and the civil service. Besides being the chief coordinator among departments and ministries, he is also the leader of the entire civil services, not just the IAS.

Until 1966, his position in the civil service was unique. There was no competing power centre. This changed when LK Jha was chosen by Prime Minister Lal Bahadur Shastri as his secretary and given a rank equal to Cabinet Secretary. Jha's successor, PN Haksar, continued in the post well after his formal retirement from the Indian Foreign Service. Subsequently, Principal Secretaries moved physically closer to the PM by acquiring an office in the PM's Secretariat. In 1977 Prime Minister Morarji Desai re-designated the Secretariat as the Prime Minister's Office (PMO) but this did not in any way change the power equation in favour of the Cabinet Secretary. As the Principal Secretaries hold their office coterminously with their Prime Ministers, they have tended to enjoy longer tenures as well, if their boss serves a full term. With the institution of this new bureaucratic power centre, there has been a palpable dilution in the role and influence of the Cabinet Secretary. Even junior functionaries in the PMO are perceived to be a notch higher than the head of the civil services.



Until 1966, the Cabinet Secretary's position in the service was unique. This changed when LK Jha was chosen the PM's secretary and given a rank equal to Cabinet Secretary

Room with a view

One of the wings of Rashtrapati Bhawan has a committee room where the Viceroy's council met regularly. This is the Cabinet Secretariat's actual home. After Independence, the Union Cabinet assembled in this stately chamber. But it has not been used for years, as the Cabinet Secretary is no longer expected to be in day-to-day contact with the President. The Cabinet now meets in the Cabinet room in South Block or at "RCR" – 7 Race Course Road, the residence of the PM. During Parliament sessions, it meets at 6.05 pm in Parliament House.

Except for Rao Saheb Krishnaswamy Rao, who first became Principal Secretary and was later appointed Cabinet Secretary, all other Principal Secretaries were retired bureaucrats. Only Prof. PN Dhar, who succeeded Haksar, came from outside this charmed circle. When Prime Minister Chaudhry Charan Singh wanted a retired IAS officer to become his Principal Secretary, the chosen officer gave him sagely advice – to appoint a serving bureaucrat so that he would not become an ECA (extra-constitutional authority), and suggested the name of Rao Saheb.

Except Bhairav Dutt Pande, ICS, who was Cabinet Secretary for nearly five years and tried to practise an inclusive strategy for enhancing civil services efficiency, very few Cabinet Secretaries have functioned as leaders of the entire civil service. So, the vision of the government does not get adequately communicated within the system. None of the recent incumbents have done anything significant to break the caste system prevailing in the civil services. The Cabinet Secretary is expected to be the captain of a ship containing nearly 60,000 civil servants but they tend to work for the less than 3,000-member closed shop union of the IAS. An attempt was made in 1993 under the promptings of the then PM to make the senior officers of all streams interact with him so that he could share his political vision. This was subtly foiled to preserve the steel frame cordon carefully thrown around the political leadership. g

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 9

PHOTO: SHARAD SAXENA

Feet on the ground: the neverending wait for justice at district courts

MANDARIN MATTERS | ias turns 60

What a fall, my countrymen!

After six decades of existence, the vision of the service faces a debilitating identity crisis

by M G DEVASAHAYAM

ON August 15, India will complete *Shastipoorthi*, ie 60 years of independence. With the 1948 batch being its first, the Indian Administrative Service, the nation's prime instrument of governance, will also enter its *Shastipoorthi* year.

Is a rich, mellowed future in store for the governance of this nation wherein lives one-sixth of the human race?

The economy is growing sans equity and the brand of "social justice" has spawned a frenzied "competition to be backward"! In politics there are no principles and this seems to be now afflicting even the highest office in the land.

The state of the nation can be best described in words adapted from former President K R Narayanan:

"Sixty years into the free life of our nation we find that justice – social, economic and political – remains an unrealized dream for millions of our fellow citizens. The benefits of our economic growth are yet to reach them. We have one of the world's largest reservoirs of technical personnel, but also the world's largest number of illiterates, the world's largest middle class, but also the largest number of people below the poverty line, and the largest number of children suffering from malnutrition. Tragically, the growth in our economy has not been uniform. Many a social upheaval can be traced to the neglect of the lowest of society, whose discontent moves towards the path of violence."

In its *Shastipoorthi* year, the IAS, established by the founding fathers as the successor to the steel-frame ICS, is under siege. There are several areas where its incapacity to meet the current challenges stares one in the face.

The IAS has not been able to develop a service culture or norms to effectively deal with the political authority, and it has not learnt to function in a fair manner in a political milieu. The Service has been marginalized as an instrument for the effective maintenance of law and order in the country. The initial in-service training system based on the new recruits learning from the example and practice of administration from their senior colleagues has failed as there are fewer seniors worthy of setting an example. The administrative machinery under the IAS officers is neither distinguished by its efficiency and accountability, nor its spirit of service to the citizen. And the image of probity and integrity of IAS officers has suffered.

Worse, the idea of justice seems to have gone out of the cadre. The vast majority are either party to the growing injustice in society or turn a Nelson's eye.

This is a very sad commentary on the members of this elite service constituted, covenanted and maintained at great cost with the sole purpose of rendering just and fair governance to the "bent, dried-up stick of a man" who represents the real India! Little do they realize that without justice, there would be neither peace nor prosperity – a thousand SEZs and double-digit "GDP boom" notwithstanding!

JB D'Souza, one of the doyens of independent India's first IAS batch, wrote to his IPS friend last year: "At my age (84), I alternate between anger and sadness over the miseries our colleagues are inflicting on the poor, over the wretched condition 58 years of 'freedom' have brought them to.... We are no longer a service; we have become a set of parasites, palanquin commanders or just expensive prostitutes." g

The IAS has been unable to develop a service culture to effectively deal with the political authority, and it has not learnt to function fairly in a political milieu

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 10

Mayawati's trishul

The boy who dreamt of being a Bollywood star became a wily lawyer-politician second only to the UP Chief Minister *by* ANIL TYAGI

AS a boy from a conservative Allahabad Brahmin family, growing up in Lucknow where father Triveni Sahai Mishra was a judge (later CJ of Gauhati High Court), Satish Chandra Mishra was tall and handsome. He ran away from home and got on a train to Mumbai to find fame and fortune in Bollywood. But there he met Sunil Dutt (the actor's wife, Nargis, was a friend of Mishra's mother), who counselled the boy and persuaded him to return home, where he went into his father's profession. Many years down the line, he had built a reputation as a lawyer and, when a certain woman Dalit leader of the state found herself in a legal fix, it was Mishra who was called upon to bail her out. Today, he is Chief Minister Mayawati's most trusted Brahmin colleague in her fourth stint in power.

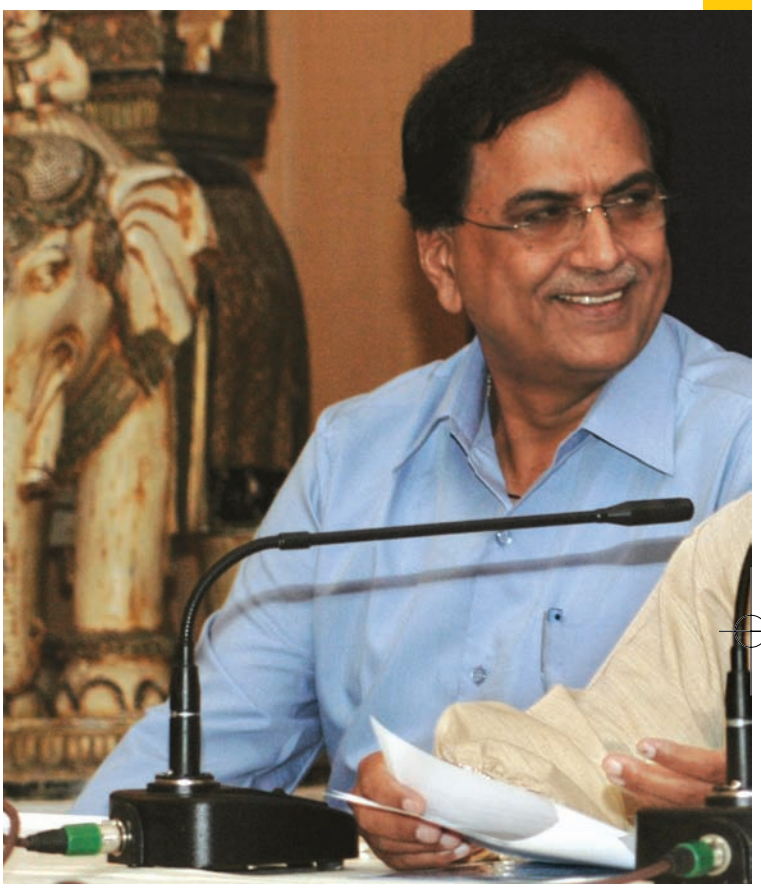
With a reserved manner belying a mind sharp in analysis and a tongue skilled in advancing arguments in court, Mishra is UP's most renowned advocate. Techno-savvy, he was Lucknow's first advocate to have a fully computerized office. He and wife Kalpana have a son and daughter as well as triplet daughters.

Courts and politics are inextricably linked and play a vital role in Indian politicaldom. In his wildest dreams, Mishra would never have thought he would one day find himself in politics. But destiny decreed otherwise. The Taj Heritage Corridor scam of 2003, involving Rs 175 crore, was a severe setback for Chief Minister Mayawati. Two FIRs were filed against her. She called the issue "a well-planned move to harass me" and stated that she had been kept in the dark about the project by the then Chief Secretary, Devender Singh Bagga, and the Principal Secretary, Panna Lal Punia. The two had been her most trusted officers.

Shashank Shekhar Singh, the current Cabinet Secretary of UP, was a pilot flying the state's planes and the friend who introduced Mishra to the beleaguered Mayawati. The first meeting was long and a chord of empathy was struck. The media and the political parties were predicting Mayawati's end but Mishra held out legal hope and began wading through law books. The rest is history.

This single case served as a stepping stone for Mishra to become Mayawati's closest colleague and the undisputed leader of UP's Brahmins. Thus emerged the invincible MSS trio of Mayawati, Shashank and Satish on the political horizon of Uttar Pradesh. Within a year, in July 2004, Mayawati rewarded him with a Rajya Sabha seat.

This has been the period – from 2003 to 2007 – that has been the toughest of Mayawati's political life. Her mentor, Kanshi Ram, died after a prolonged illness during which his mother accused Mayawati of keeping him hostage. Struggling on all fronts, she was determined to bounce back. And it was the Brahmin from Allahabad and the Jat pilot from Muzaffarnagar who came up with a calculated plan to hijack the traditional social engineering of the Congress. Mayawati agreed and the Bahujan Samaj Party made an unexpected u-turn – welcoming the once-hated Brahmins as its partners.



It was the Brahmin from Allahabad and the Jat pilot from Muzaffarnagar who came up with a calculated plan to hijack the social engineering of the Congress. Mayawati agreed. The BSP welcomed the once-hated Brahmins

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 11

Dream team

Shashank Shekhar Singh, Cabinet Secretary, UP
Gopal Narain Mishra, CMD, UP Warehousing Corporation
Jyotindra Mishra, Advocate-General, UP
Jaideep Narain Mathur, Additional Advocate-General, UP

Mayawati and Mishra: Dalit empowerment of Brahmin

Mishra was entrusted with wooing the Brahmins, who account for 5-15 per cent in almost all the Assembly segments of the state. The MSS trio identified 86 Assembly segments where Brahmins constituted 15 per cent, Dalits 25 per cent and Muslims 5-6 per cent. For the Muslim vote, Mayawati relied on one of her most trusted Muslim leaders – Naseemuddin.

The strategy was first tested in byelections and propagated through the media by holding a series of "Brahman Sammelans" across the state. Mishra was projected as the BSP's Brahmin face. Neglected for over a decade in UP politics, the Brahmins turned out in massive numbers in what may well be called a period of Brahmin renaissance. Mishra also advised Mayawati not to participate in municipal corporation elections, held just a couple of months before the Assembly polls. The strategy baffled her main rival, Mulayam Singh Yadav and the Samajwadi Party. He failed to gauge the strength of the emerging social engineering and to revise his electoral plans. According no importance to the municipal polls, the MSS trio kept working on the targeted voters and the Assembly elections brought the BSP back to power with an absolute majority and over 50 Brahmin MLAs.

The MSS hold over the BSP is so absolute that there is no second rung worth its salt in the party. No news filters through to the media. And Mishra is perhaps busier than the Chief Minister herself. The UP Secretariat has always had only one room for the Chief Minister. Now, however, an exception has been made and an additional room has been set up for Mishra – a Cabinet Minister without portfolio. He reads every file to ensure it is legally fool-proof before the Chief Minister signs it – a fallout of the lessons learnt from the Taj corridor case.

In her first press conference after winning the Assembly elections, Mayawati had three people alongside her: Mishra, Singh and Naseemuddin. And, on differing occasions, she has lauded Mishra publicly – uncommon in UP politics. When the Lucknow media pointed out that his relatives were landing plum posts, she went so far as to call a press conference at which she thundered that she could not do enough to repay Mishra for what he had done for the party, and minced no words in declaring that more power was in the offing for him.

IT is true Mishra's contribution has been enormous. Ignored for one-and-a-half decades, the Brahmin community is enthused by its new-found mascot. Even the BJP's Kesri Nath Tripathi and Kalraj Mishra did not have such stature.

Far back in history, a man called Chanakya had chosen King Chandragupta and the Mauryan dynasty was ensconced on the throne. There is a parallel here – in reverse. Queen Mayawati has selected a Chanakya to destroy Yadav rule and the ruins of the Congress party in the state. She also has another agendum – to take her social engineering arsenal beyond UP's boundaries, starting with the battlefields of the Hindi-speaking states. Once again, Mishra will be commander-in-chief.

Brahmins from other states are already to be found in the queue of *darshan*-seekers at Mishra's residence. Brahmins from Andhra Pradesh and Chhattisgarh recently camped in Lucknow for a week. Every time they turned up at his residence, they were told he was in Delhi. On the seventh day, his staff consoled them by saying even they did not see their boss for days and persuaded them to leave. Mishra's stand is that a minister without portfolio does not relate to the people, he dictates. When not inclined to oblige a favour-seeker, he simply says the deed would incur Mayawati's wrath.

Politics is said to be a game of circumstance and possibility. The MSS focus now is on the problems of power, transport and health. Mishra is negotiating with Volvo, Sweden as well as Korean companies to alleviate UP's transport and power problems.

But the ultimate test of the MSS' foresight and planning will be a couple of years hence, when the next general election is held. In 2009, if all goes well, even playing kingmaker at 7 Race Course is not too far to seek. g

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 12

IAS officers' birthdays | August 2007

K Mangapathi Rao
01-08-1949
CADRE: ANDHRA PRADESH
raokm@ias.nic.in

J C Rathod
01-08-1950
CADRE: GUJARAT
jcrathod96@ias.nic.in

M C Jauhari
02-08-1962
CADRE: ASSAM, MEGHALAYA
jauharim@ias.nic.in

Uma Kant Nanda
02-08-1953
CADRE: BIHAR
nandauk@ias.nic.in

Amir Ali
03-08-1948
CADRE: CHHATTISGARH
amirali@ias.nic.in

Alexander Koippuram Luke
04-08-1948
CADRE: GUJARAT
lukeak@ias.nic.in

Junnu Kiskoo
05-08-1949
CADRE: JHARKHAND
junnu.kiskoo@ias.nic.in

M H Samoon
06-08-1949
CADRE: J&K
samoonmh@ias.nic.in

Thomas C George
07-08-1947
CADRE: KERALA
georgetc@ias.nic.in

Meera Mohanty
08-08-1977
CADRE: HP
meera.m@ias.nic.in

Phateh Singh
09-08-1952
CADRE: HARYANA
singhp5@ias.nic.in

Kailash Chand Gupta
10-08-1967
CADRE: MADHYA PRADESH
guptakc1@ias.nic.in

Arvind Kumar Pandey
10-08-1954
CADRE: JHARKHAND
pandeyak81@ias.nic.in

Anand Kumar
11-08-1961
CADRE: KERALA
kranand1@ias.nic.in

D Subba Rao
11-08-1949
CADRE: ANDHRA PRADESH
raods1@ias.nic.in

Hardikar Shravan Pramod
12-08-1978
CADRE: MAHARASHTRA
hs.pramod@ias.nic.in

M Ariz Ahammed
12-08-1968
CADRE: ASSAM, MEGHALAYA
ahmedma@ias.nic.in

B H Manjunath
13-08-1949
CADRE: KARNATAKA
bhmnath@ias.nic.in

B Srinivas
13-08-1962
CADRE: KERALA
bsnivas@ias.nic.in

Santanu Das
14-08-1952
CADRE: MANIPUR, TRIPURA
santanu.d@ias.nic.in

Jose Issac
14-08-1955
CADRE: KERALA
issacj@ias.nic.in

Arabinda Kr Padhee
15-08-1969
CADRE: ORISSA
padheeak@ias.nic.in

Thaithuilung Panmei
15-08-1967
CADRE: MANIPUR, TRIPURA
panmeit@ias.nic.in

Arun Jha
15-08-1958
CADRE: BIHAR
jhaa2@ias.nic.in

Prithvi Raj
16-08-1974
CADRE: RAJASTHAN
rprithvi@ias.nic.in

Karma Nidup
16-08-1952
CADRE: SIKKIM
kn.bhutia@ias.nic.in

Sundaram Krishna
17-08-1951
CADRE: PUNJAB
ksundaram77@ias.nic.in

Ranbir Singh
17-08-1963
CADRE: UNION TERRITORY
singhr19@ias.nic.in

Rinku Dhugga
18-08-1969
CADRE: UNION TERRITORY
dhuggar@ias.nic.in

Nalini Netto
19-08-1957
CADRE: KERALA
netton@ias.nic.in

Avanish K Awasthi
19-08-1962
CADRE: UTTAR PRADESH
awasthia@ias.nic.in

P R Bindhu Madhavan
20-08-1948
CADRE: TAMIL NADU
madhavpr@ias.nic.in

Pulok Chatterji
21-08-1951
CADRE: UTTAR PRADESH
chaterji@ias.nic.in

Kunal Sharma
22-08-1953
CADRE: UTTARAKHAND
kunalsharma@ias.nic.in

Jivtesh Singh Maini
23-08-1949
CADRE: PUNJAB
jsmaini@ias.nic.in

Asha Murthy
24-08-1947
CADRE: ANDHRA PRADESH
amurthy@ias.nic.in

Himmat Singh
24-08-1957
CADRE: PUNJAB
shimmat@ias.nic.in

A Sreenivas
25-08-1977
CADRE: RAJASTHAN
asreenivasan@ias.nic.in

Rajkumar Sharma
25-08-1963
CADRE: ORISSA
srajkr@ias.nic.in

Ajay Bhattacharya
26-08-1952
CADRE: TAMIL NADU
bcharya7@ias.nic.in

Anu Aggarwal
27-08-1974
CADRE:: NAGALAND
anuaggar@ias.nic.in

V S Bute
28-08-1951
CADRE: MAHARASHTRA
butevs@ias.nic.in

Siddharth Mahajan
29-08-1976
CADRE: RAJASTHAN
smahajan.ias@ias.nic.in

Darpan Jain
30-08-1977
CADRE: KARNATAKA
jdarpan@ias.nic.in

M Sai Kumar
31-08-1966
CADRE: TAMIL NADU
kumarms@ias.nic.in

G Balaramaiah
01-08-1953
CADRE: ANDHRA PRADESH
bramaiah@ias.nic.in

MTR Tanveer Jehan
03-08-1955
CADRE: JAMMU & KASHMIR
mtjehan@ias.nic.in

M V Sangle
04-08-1949
CADRE: MAHARASHTRA
sanglemv@ias.nic.in

Brahma Deo Ram Tiwari
05-08-1978
CADRE: ASSAM, MEGHALAYA
bdrtiwari.ias@ias.nic.in

Belatee Pertin
06-08-1962
CADRE: UNION TERRITORY
b.pertin@ias.nic.in

Tapan Senapati
07-08-1951
CADRE: KARNATAKA
stapan@ias.nic.in

Manoj Kumar
08-08-1964
CADRE: MANIPUR, TRIPURA
kumarm1@ias.nic.in

Shrikar Keshav Pardeshi
09-08-1973
CADRE: MAHARASHTRA
pardesi1@ias.nic.in

Gudey Srinivas
10-08-1966
CADRE: ORISSA
snivas9@ias.nic.in

Hardikar Shravan Pramod
12-08-1978
CADRE: MAHARASHTRA
hs.pramod@ias.nic.in

Subir Kumar Bhadra
13-08-1950
CADRE: WEST BENGAL
s.k.bhadra@ias.nic.in

For the complete list, see www.indianbuzz.com or www.gfiles.info

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 13

IPS officers' birthdays | August 2007

G Vicashe Sema
01-08-1955
CADRE: NAGALAND
gvsema@mail.svpnpa.gov.in

Ratan Lal
01-08-1973
CADRE: CHHATTISGARH

Rajinder Singh
01-08-1954
CADRE: HARYANA

Shyam Sunder Prasad Yadav
02-08-1950
CADRE: ANDHRA PRADESH
yadav@mail.svpnpa.gov.in

Rajni Kant Misra
02-08-1959
CADRE: UTTAR PRADESH
rkmisra@mail.svpnpa.gov.in

Harish Kumar Gupta
02-08-1965
CADRE: ANDHRA PRADESH
hkgupta@mail.svpnpa.gov.in

Krishan Kumar Rao
02-08-1970
CADRE: HARYANA
kishan@mail.svpnpa.gov.in

Asif Jalal
02-08-1974
CADRE: HIMACHAL PRADESH
asif@mail.svpnpa.gov.in

M P George
03-08-1948
CADRE: MADHYA PRADESH
mpgeorge@mail.svpnpa.gov.in

R R Girish Kumar
04-08-1950
CADRE: ANDHRA PRADESH
girish@mail.svpnpa.gov.in

Kumar Vinoy Singh Deo
05-08-1963
CADRE: ASSAM, MEGHALAYA
vsdeo@mail.svpnpa.gov.in

A P Dhere
05-08-1950
CADRE: MAHARASHTRA
apdhere@mail.svpnpa.gov.in

Surendra Panwar
06-08-1961
CADRE: ORISSA
surendrapanwar@mail.svpnpa.gov.in

Ajay Kumar Yadav
01-08-1976
CADRE: CHHATTISGARH

Neelmani
07-08-1951
CADRE: BIHAR
neelmani@mail.svpnpa.gov.in

Annappa E.
01-08-1974
CADRE: WEST BENGAL

S S Khandwawala
08-08-1950
CADRE: GUJARAT
sskhandwawala@mail.svpnpa.gov.in

Ramesh Chand Tayal
09-08-1956
CADRE: ASSAM, MEGHALAYA
tayal@mail.svpnpa.gov.in

Milind Kanaskar
09-08-1962
CADRE: MADHYA PRADESH
milindkanaskar@mail.svpnpa.gov.in

P Sakthivelu
10-08-1953
CADRE: TAMIL NADU
sakthivelu@mail.svpnpa.gov.in

Bishwanath Deb Barma
11-08-1956
CADRE: MANIPUR, TRIPURA
bishwanath@mail.svpnpa.gov.in

Jacob Punnoose
12-08-1952
CADRE: KERALA
jpunnoose@mail.svpnpa.gov.in

J Poornachandra Rao
12-08-1961
CADRE: ANDHRA PRADESH
poornachandra@mail.svpnpa.gov.in

Sanjay S Barve
13-08-1959
CADRE: MAHARASHTRA
ssbarve@mail.svpnpa.gov.in

S Nithiyanandam
14-08-1960
CADRE: AGMUT
snithiyanandam@mail.svpnpa.gov.in

Hemant Kumar Purohit
15-08-1956
CADRE: RAJASTHAN
hemantpurohit@mail.svpnpa.gov.in

K B Vandana
17-08-1979
CADRE: RAJASTHAN

Nilesh Anand Bharne
28-08-1972
CADRE: UTTARAKHAND

Tsering Punchok
15-08-1954
CADRE: J&K
punchok@mail.svpnpa.gov.in

P R Meena
15-08-1952
CADRE: AGMUT
prmeena@mail.svpnpa.gov.in

D Mukherjee
16-08-1947
CADRE: TAMIL NADU
mukherjee@mail.svpnpa.gov.in

Bhupinder Singh
16-08-1950
CADRE: WEST BENGAL
bhupinder@mail.svpnpa.gov.in

Sajjad Wasi Naqvi
17-08-1963
CADRE: MADHYA PRADESH
swnaqvi@mail.svpnpa.gov.in

N P S Aulakh
08-08-1950
CADRE: PUNJAB
npsaulakh@mail.svpnpa.gov.in

Priya Singh
18-08-1974
CADRE: JHARKHAND
priyadubey@mail.svpnpa.gov.in

Syed Md Illyas Azam
18-08-1947
CADRE: WEST BENGAL
smiilyasazam@mail.svpnpa.gov.in

Avinash Mohananey
19-08-1957
CADRE: SIKKIM
avinashm@mail.svpnpa.gov.in

Kempaiah
20-08-1951
CADRE: KARNATAKA
kempaiah@mail.svpnpa.gov.in

Anurag Tankha
21-08-1970
CADRE: ASSAM, MEGHALAYA
anuragtankha@mail.svpnpa.gov.in

T K Vinod Kumar
22-08-1965
CADRE: KERALA
tkvinodkumar@mail.svpnpa.gov.in

Rajiv Mathur
23-08-1949
CADRE: UTTAR PRADESH
rmathur@mail.svpnpa.gov.in

K B Vandana
17-08-1979
CADRE: RAJASTHAN

M D Meena
23-08-1947
CADRE: GUJARAT
mdmeena@mail.svpnpa.gov.in

Syed Ahmad Syed
24-08-1948
CADRE: J&K
syedahmad@mail.svpnpa.gov.in

Surya Kumar
25-08-1958
CADRE: UTTAR PRADESH
suryakumar@mail.svpnpa.gov.in

Sunil Agarwal
26-08-1961
CADRE: KARNATAKA
sagarwal@mail.svpnpa.gov.in

Abhishek Trivedi
27-08-1971
CADRE: HP
abhishek@mail.svpnpa.gov.in

S P Khadgawat
28-08-1949
CADRE: RAJASTHAN
khadgawat@mail.svpnpa.gov.in

W R Marbaniang
29-08-1951
CADRE: ASSAM, MEGHALAYA
wrmarbaniang@mail.svpnpa.gov.in

Aparna H S
30-08-1974
CADRE: UTTAR PRADESH
aparna@mail.svpnpa.gov.in

Marityunjoy Kumar Singh
30-08-1961
CADRE: WEST BENGAL
mkumarsingh@mail.svpnpa.gov.in

M P Dwivedi
31-08-1955
CADRE: MADHYA PRADESH
mpdwivedi@mail.svpnpa.gov.in

Manish Kishore Sinha
31-08-1970
CADRE: J&K
seemant@mail.svpnpa.gov.in

T V Ravichandran
03-08-1964
CADRE: TAMIL NADU
ravichandran@mail.svpnpa.gov.in

Kishanlal Meena
04/08/1952
CADRE: WEST BENGAL
kishanlalmeena@mail.svpnpa.gov.in

For the complete list, see www.indianbuzz.com or www.gfiles.info

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 14

'The only thing left is to phy s

Today's RTI, YouTube and internet era could become an effective defence shield for government whistleblowers who face the retaliatory wrath of the almighty state when they expose waste, fraud and corruption. At least that is the view of Jayashree JN, who is running a unique blog and transparency initiative to protect her IAS husband, MN Vijayakumar (Karnataka 1981 batch) from reprisals.

Vijayakumar has been a thorn in the side for politicians by pointing out corruption to his seniors. He has been transferred seven times for his trouble. Jayashree's blog, fightcorruption.wikidot.com, aims at getting her husband the visibility he needs to continue to act as a conscientious objector. Arun Lavania spoke to her:

gfiles: *Is your fight against the individual or the system?*
Jayashree JN: The fight is against the system which allows most corrupt officers to cause irreversible damage to society. In a good system individuals are not noticed, but the same is not true of a bad system. These individuals undermine the system itself. The fight, in a way, is against the almost total absence of the system. Even if there were a semblance of a system, what has been happening to my husband would never have taken place.
gfiles: *Your husband has written to the President of India about harassment and threat to life by his seniors. What was the response?*
JNN: His letter to the President was routed through the Chief Secretary very recently. It is too early to expect a reply.
gfiles: *You have also reported this matter to the police. What action has been taken by them to protect you?*
JNN: Nothing, except placing a beat-book in a neighbour's house, which has been moved nearer our house a few days ago. When the truth comes out, why this happened will also be known.

'My husband tried to make available files to citizens on the internet [http://bngregcommr.freespaces.com]. Two days before the launch, the corrupt officers, including PB Mahishi, Chief Secretary, shunted him out'

gfiles: *Did you seek the court's intervention?*
JNN: No. Finally, it is the same state police who have to provide protection. For the time being, creating awareness about the threats is itself the protection. My husband consciously decided not to approach either the court or the CAT for the sole purpose of establishing the level to which the corrupt would stoop to protect themselves. He suffered humiliation and harassment knowingly. Approaching the court or CAT would have given him only personal benefits but would not have helped him in his fight against corruption or strengthened the hands of honest officers.

gfiles: *Your fight against corruption is now globally known and appreciated. Can you name, besides your husband, other whistleblowers in Karnataka?*
JNN: Manjunath, who lost his life fighting corrupt practices, was also from Karnataka. Excluding those who might have made some noise either a few months before retirement or after retirement, I have not come across any other whistleblower in the real sense in Karnataka.
gfiles: *Do you think public support can bring about a positive change in the system and strengthen your cause?*
JNN: Of course. After the website [http://fightcorruption.wikidot.com] became well known, we have received support from people across the country and abroad. Some people have worked extensively with me and we have been able to expose major instances of bad governance and maladministration. Most important among them is the expo-

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 15

y sically silence my husband'

sure of deliberate dismantling of systems meant to curb corruption by none other than the Chief Secretary himself. The exposure is highly relevant for Karnataka as it has been rated as the fourth most corrupt state in the country by Transparency International. We have a Right to Information Forum of which I am the Secretary, and we are trying to create a demand for good governance in Karnataka.

gfiles: *You fear that your husband might meet the same fate as Manjunath and Dubey. But they were not IAS officers and so relatively vulnerable. Can a parallel be drawn?*

JNN: Any person seriously fighting corruption at high levels is very vulnerable. My husband cannot be an exception to this. In fact, he is more vulnerable as those who want to harm him have exhausted all other methods of harming him. The only thing left for them is to physically silence him. To draw a parallel, as early as October 2006 my husband had submitted, based on a large number of studies of the fate of whistle-blowers, a list of 10 ways in which he could be harassed. All the ten methods have been used against him to prevent him from pursuing the serious corruption issues he has raised. What he had deliberately excluded was fatally harming the whistle-blower.

gfiles: *Your husband has been fighting corruption for 25 years. You have joined him now. What compelled you?*

JNN: My husband has not just been fighting corruption for 25 years, he has also been making efforts to introduce simple innovative systems to curb corrupt practices and bring in transparency in administration. As early as 1992, when nobody had even thought of Right to Information in India, he set up a computerized information booth in Dharwad zilla panchayat. Quite likely, it was the first such effort in the world. Recently, as Regional Commissioner, Bangalore, in February 2007 he tried to make available files to citizens on the internet. His efforts can be seen at http://bngregcommr.freespaces.com. The work was done by him in less than 20 days. Just two days before the launch, the corrupt officers, including PB Mahishi, Chief Secretary of Karnataka, shunted him out. This was not the first instance when my husband got transferred for either exposing corrupt practices or for creating systems to curb corrupt practices. His recent efforts exposed people at the top, and the serious threats increased. Even though my husband initially refused to go to a place he was transferred to in September 2006, when he received reliable information regarding plans to fatally harm him, he decided to report for duty at that place. I urged him not to report till I had understood all the issues he is fighting against so that, in the extreme eventuality of losing my husband, I should be able to continue his fight. I do not want his 25 years to go in vain.

'The existing AIS Rules, under which every civil servant must work with absolute integrity at all times, already provides for whistle-blowing. What is needed is a court ruling on this by the competent court'

I have seen many cases of wives miserably fighting for justice after losing their husbands. I didn't want it to happen in my case. In fact, I did not want such a thing to happen to my husband at all. So I started documenting his struggle so that it would be helpful to anyone who wants to fight corruption at high levels. I used the RTI Act extensively to clearly show the discrimination against him and the reasons for discrimination, harassment and humiliation. As threats became more serious, including threats to me, I decided to go public.

gfiles: *Are you satisfied with the support from public and social groups?*

JNN: Yes. In addition to comments in the guestbook on my website, I receive many private messages from individuals and groups all over the world. The media has played a vital role in securing this support. I have received many mails from women IAS officers and also wives of other officers. It is heartening to know that many honest officers have encouraged their wives to take up issues in the public interest. Details are given on my website.

gfiles: *Is lack of political will the root cause of corruption?*

JNN: This is a major misconception. What is forgotten is that unless the top bureaucracy willingly supports the politicians either for personal gains or fear, no politician –however powerful – can be the root cause of corruption. While everybody is saying that a Whistle-blower Act is needed for honest officers to come out openly, my husband has taken a stand that correct interpretation of the existing AIS Rules, under which every civil servant must work with absolute integrity at all times, already provides for whistle-blowing. What is needed is a ruling on this by the competent court and I have taken up this issue. The fight against corruption will become more effective when lakhs of honest government servants are liberated from the clutches of the corrupt by getting such a ruling at the earliest. This, together with making assets of government servants public, can have an immediate, dramatic effect on corruption. Our forum has taken up this issue also.

gfiles: *What do you think is the total financial loss to the government because of corrupt practices your husband has exposed?*

JNN: My husband has lodged a complaint with the Lokayukta. At this juncture, all I can say is that it runs into a few hundreds of crores of rupees. g

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 16

Bittersweet journey

The 1963 IAS topper, who witnessed the Green Revolution and worked under five CMs in UP, recalls four decades of service

I TOOK the civil service examination by chance. But I stood first in the country in the examination. During the interview, the UPSC chairman, KPS Menon, wanted me to opt for the Indian Foreign Service, but I preferred the IAS. I was a student of physics and mathematics with an inclination for research in elementary particles. My father was a director in the Post & Telegraph Services and wanted to see me grow as a civil servant. He asked me to appear for the civil service examination at least once and I could not say no. I took the exam and then suffered 40 years in the service.

My first posting was in eastern Uttar Pradesh – Mirzapur. During the late 1960s, India witnessed the great Green Revolution, and this luckily coincided with my posting in a remote district of Uttar Pradesh where I was putting three essential components of new agriculture technology – seed, fertilizer and water – into use in villages. I worked hard for five years in rural areas and the landed class realized the benefits of the new agriculture technology.

In 1964 Sucheta Kriplani was CM of Uttar Pradesh. I got an opportunity to talk to her whenever she visited my district. I also worked in the most agriculturally prosperous district of Farukhabad which is the country's largest potato-producing district. President Zakir Hussain belonged to this district. But my most memorable posting was in Bundelkhand during 1966-67 with Lalitpur – the most backward district of the state – being its headquarters.

I have worked with five Chief Ministers – Banarsi Das, VP Singh, ND Tiwari, Mulayam Singh Yadav and Kalyan Singh. After Independence, the relationship between politicians and bureaucrats evidenced internal consistency and mutual respect. Politicians had the pulse of the people and knew ground realities, whereas bureaucrats were knowledgeable, honest, faithful and could implement the visions of politicians. This combination worked till the 1980s and then deterioration started. The politician thought he could be both a bureaucrat and politician which was a misconception. The bureaucrat was thus considered redundant. This caused a rift and mutual suspicion during the 1980s. It took a toll of governance. However, during later years, bureaucrats and politicians compromised and connived for mutual benefit.

I often admired many of my seniors like PS Appu, Director of the National Academy of Administration, KF Rustamji, Chief Secretary, Madhya Pradesh, NK Mukherjee, Srinivasan Vardarajan and especially Bhagwant Singh who was a tough task master.

PHOTO: SHARAD SAXENA

Prabhat Kumar: Mixed memories

The most memorable part of my career was my stint in the Ministry of Home Affairs. There was the Kashmir problem and the Sikkim issue. Installation of Sheikh Abdullah as Chief Minister of Kashmir and merger of Sikkim with India were wonderful experiences. When posted in UP, I was appointed Chairman and Managing Director of UP Textile Corporation. Banarsi Das was CM. He called me and said he wanted to see UP on the textile map of India. I said I would do the job provided no one interfered and influenced my work. He let me go and work freely. Nobody interfered in my work until VP Singh became CM. His Cabinet had a corrupt industry minister. He wanted to purchase some unnecessary machinery. I refused. He threatened that he would get me transferred. I went to the CM and expressed my inability to work with the corrupt minister. The CM said I was making a serious allega-

I call the past 50 years a period of shame for our governance. The basic concept of the Constitution, the right to live with dignity, has not been realized

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 17

tion against his Cabinet colleague and wanted me to give it in writing. I did so. In the next Cabinet reshuffle, the minister was transferred. I stayed with the Corporation which soon made a profit of Rs 300 crore.

I REMEMBER another incident. Chief Minister Mulayam Singh Yadav called me and asked me to favour one of his partymen. As it required ignoring the rules, I politely refused. I was subsequently transferred to an unimportant department. Time flew by and I came to the Central government on deputation. One fine morning, I got a call from Mulayam Singh Yadav that he wanted to see me in Delhi. I met him that very day. After exchange of pleasantries, he

The politician thought he could be a bureaucrat and politician which was a misconception

recalled the incident and said, "You were right in refusing the favour to that man. Though his work was done after your transfer, he turned out to be unreliable. He joined a rival party soon after."

The biggest challenge and contribution of the bureaucracy is to keep India unified. Notwithstanding the fact that it has done a good job for the country, I call the past 50 years a period of shame for our governance. The basic concept of the Constitution, the right to live with dignity, has not been realized; 25 per cent of our population is still living below the poverty line. The senior bureaucracy is to blame. It could not be people-friendly. Politicians are to blame for the ill health of all public institutions. Businessmen and corporate houses have created corruption in the government. Professionals like media have tried to corner the fruits of development unscrupulously. Small entrepreneurs have begun avoiding taxes. Agriculture is still being neglected. The total orientation for development needs a change. g

Prabhat Kumar (1963 batch) was Cabinet Secretary, Governor of Jharkhand and Chairman, IC Centre for Governance

TRACKING

For a complete list of appointments & retirements, see www.indianbuzz.com or www.gfiles.info

Vijay Singh
The 1970-batch IAS officer of Madhya Pradesh is the new Secretary in the Ministry of Defence.

Christy Leon Fernandez
The 1973-batch IAS officer of Gujarat has been appointed Secretary to the President.

JS Maini
The 1974-batch IAS officer of Punjab is now Chairman of the National Highways Authority of India.

YS Dadwal
The 1974-batch IAS officer of Union Territory cadre is now Police Commissioner, Delhi.

Pradip Kumar
The 1972-batch IAS officer of Haryana has been appointed Secretary, Disinvestment.

Alok Tandon
The 1986-batch IAS officer of Uttar Pradesh has been appointed head of the National Rural Health Mission.

Ravi Dhingra
The 1972-batch IAS officer of Himachal Pradesh has become the new Chief Secretary of the state.

Chitkala Zutshi
The 1971-batch IAS officer of Maharashtra is the new Additional Chief Secretary of the state.

S S Parmar
The retired 1971-batch IAS officer of Himachal Pradesh has been appointed State Information Commissioner.

Renuka Vishwanathan
The 1971-batch IAS officer of Karnataka has become Secretary, Department of Disinvestment.

Shyamalima Banerjee
The 1987-batch IAS officer of Manipur-Tripura cadre is CVO of the National Projects Construction Corporation.

Labanyendu Mansingh
The retired 1970-batch IAS officer of Gujarat is now Chairman of the Petroleum Regulatory Board.

GL Sharma
The 1970-batch IPS officer of Uttar Pradesh is the new CMD of the UP Police Housing Corporation.

Vishwa Ranjan
The 1973-batch IPS officer of Chhattisgarh has been appointed the new DGP of the state.

Rajiv Mathur
The 1974-batch IPS officer of Chhattisgarh has been promoted to the rank of DG in Chhattisgarh.

Ajay Tyagi
The 1984-batch IAS officer of HP is now Secretary of the Petroleum Regulatory Authority.

SK Vasishta
The 1972-batch Indian Railways Service of Signal Engineers officer is now Managing Director of RailTel Corporation of India Ltd.

Avinash Mishral
The 1979-batch IFS officer of the AGMUT cadre has been made Principal Resident Commissioner by the Arunachal Pradesh government.

Moving On: ias officers retiring in august

ANDHRA PRADESH
Asha Murthy (1974)
N Narasimha Rao (1983)

BIHAR
Ashok Kumar Choudhary (1972)

UTTAR PRADESH
Prakash K Dikshit (1989)
Ravindra Nath Tripathi (1990)

GUJARAT
Sudhir Mankad (1971)
Swatantra K Sekhon (1974)

HARYANA
Hukam Singh Rana (1988)
Prem Prashat (1970)

JAMMU & KASHMIR
Azmer Singh Sidhu (1975)
A K Garyali (1992)

KERALA
Thomas C George (1974)

MADHYA PRADESH
Amar Singh (1971)

PUNJAB
Kura Ram Lakhanpal (1972)

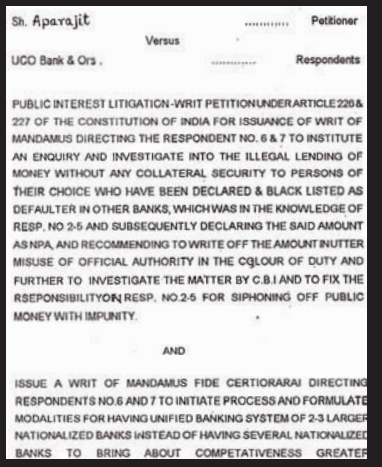
TAMIL NADU
N P Gupta (1972)

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 18

gfiles INSIDE THE GOVERNMENT INVESTIGATION

Bank on a roll

A section of UCO Bank officials has connived to consistently understate its Non-Performing Assets by crores of rupees



Sh. Aparajit ..... Petitioner

Versus

UCO Bank & Ors. ..... Respondents

PUBLIC INTEREST LITIGATION-WRIT PETITION UNDER ARTICLE 226 & 227 OF THE CONSTITUTION OF INDIA FOR ISSUANCE OF WRIT OF MANDAMUS DIRECTING THE RESPONDENT NO. 6 & 7 TO INSTITUTE AN ENQUIRY AND INVESTIGATE INTO THE ILLEGAL LENDING OF MONEY WITHOUT ANY COLLATERAL SECURITY TO PERSONS OF THEIR CHOICE WHO HAVE BEEN DECLARED & BLACK LISTED AS DEFAULTER IN OTHER BANKS, WHICH WAS IN THE KNOWLEDGE OF RESP. NO 2-5 AND SUBSEQUENTLY DECLARING THE SAID AMOUNT AS NPA, AND RECOMMENDING TO WRITE OFF THE AMOUNT IN UTTER MISUSE OF OFFICIAL AUTHORITY IN THE COLOUR OF DUTY AND FURTHER TO INVESTIGATE THE MATTER BY C.B.I AND TO FIX THE RSEPONSIBILITY ON RESP. NO.2-5 FOR SIPHONING OFF PUBLIC MONEY WITH IMPUNITY.

AND

ISSUE A WRIT OF MANDAMUS FIDE CERTIORARAI DIRECTING RESPONDENTS NO.6 AND 7 TO INITIATE PROCESS AND FORMULATE MODALITIES FOR HAVING UNIFIED BANKING SYSTEM OF 2-3 LARGER NATIONALIZED BANKS INSTEAD OF HAVING SEVERAL NATIONALIZED BANKS TO BRING ABOUT COMPETATIVENESS GREATER

the millions of tax payers is being wasted and has fallen in the hands of unscrupulous elements, who under the garb of business are unscrupulously and clandestinely cheating and defrauding the bank in active aid and connivance of respondent no.2 to 5 of respondent no.1 who are entrusted to safeguard the public money as the custodian, yet, the same is being siphoned off. Some of the instances are as follows.

The Parliament Street branch of respondent no.1 sanctioned loans to the following parties and the sanctioning authorities are none other than respondent no.2 to 5.

i)	Shamken Spinners	Rs. 282.48 lacs
ii)	Dwarkadeesh Spinners	Rs.1188.49 lacs
iii)	Shamkeen Multifab	Rs. 1979.59 lacs
iv)	Morepan Laboratories	Rs. 5630.65 lacs

The loan of Rs. 50 Crores was sanctioned on clean basis without insisting for any security, which was in clear violation of bank's credit policy as this was a new account and the bank did not have experience of past dealings with this borrower.

A copy of the writ petition filed in the Delhi High Court against bank officials who have assets disproportionate to their income

The Kolkata-based UCO Bank has come under the scanner of the Reserve Bank of India (RBI). The RBI, the apex bank of the country regulating all scheduled commercial banks, has hauled up UCO Bank in its Annual Financial Inspection Report (AFIR) for 2001-06. The report reveals that there has been large-scale understatement of Non-Performing Assets (NPAs) by the bank during this period. The bank has routinely been making less provisions for NPAs than required by RBI guidelines. For instance, a review of 48 and 44 stressed assets for 2004-05 and 2005-06, respectively, shows that the bank has understated NPAs by around Rs 66 crore and Rs 44.6 crore.

The report for 2006 further reveals the bank had not made 100 per cent provisioning even for loans classified as frauds. There have been delays of up to three years in detection of frauds, says the RBI report.

For the quarter ended December 31, 2006, the NPAs estimated to have been understated amount to Rs 1,115.82 crore. If all loans and those accounts where limits have not been renewed for a period of over six months are taken into account, the total amount of NPAs of UCO Bank may well exceed Rs 2,500 crore for the financial year ending March 31, 2007. According to RBI guidelines, an asset is classified as NPA if it has remained unpaid for over 90 days.

The understatement of NPAs that has been found to have continued for years now is neither accidental nor due to any oversight, but is the result of a well-planned strategy of UCO Bank officials at senior and senior middle levels – allegedly with the connivance of the CMD and ED of the bank. As a result of the performance-based incentive scheme of the Government of India, such concealment directly benefits the CMD and ED by overstating the profit of the bank for the relevant financial year.

The bank understated its NPAs even in the prospectus issued at the time of its IPO – an act amounting to misstatement in the prospectus which makes the director and all those who authorized the issue of such a prospectus liable for civil and criminal prosecution under the Indian Companies Act.

gfiles is in possession of documentary evidence against various senior officials of the bank who disbursed huge loans without seeking collateral – and to borrowers who were blacklisted and declared defaulters by other nationalized banks. We also have evidence against some officials who have accumulated wealth disproportionate to their known sources of income. A writ petition is also pending with the Delhi High Court on this matter.

The bank understated its NPAs even in the prospectus issued at the time of its IPO – which makes those who authorized the issue of such a prospectus liable for prosecution

A K Gupta, General Manager, Strategic Planning of the bank, while responding to queries, expressed his inability to comment on these issues, citing the confidential nature of the report. He, however denied the allegations and said that the bank was holding floating (surplus) provision of Rs 76 crore as of March 31, 2005.

In this age of globalization and intense competition, public sector banks are facing the heat due to aggressive posturing of most new-age private sector banks such as ICICI, HDFC and so on. Many of the public sector banks have, in the recent past, thoroughly revamped their working style and shed flab by writing off NPAs from their books and turning their banks into zero-NPA banks. These banks have been duly rewarded by the markets and this fact has been reflected in their market price. Their market capitalization has multiplied many times in the past two-three years. In the process, stakeholders have been immensely rewarded.

Yet, UCO Bank officials have been cheating its depositors and its stakeholders, including shareholders, honest employees and others. The government, as a major stakeholder in such banks, is also affected. g

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 19

by ARUN LAVANIA

Cell phones, poultry and milk bring succour to tribals

THE missionary zeal of Kamal Kishore Soan and Aradhana Patnaik, both 1998-batch IAS officers, is bringing about a sea-change in the lives of poor tribals in Jharkhand's worst Naxal-infested districts. The husband-wife duo, travelling to remote tribal villages in their respective districts without security cover, is overwhelmed by the warm response from villagers: "It's honesty of purpose, mutual trust and commitment to develop the socio-economic status of the tribals that keeps us safe in their hands. In fact, they provide us human shields."

Soan, Deputy Commissioner of Ranchi, has started a help line to remain in touch with the masses. Prime Minister Manmohan Singh's ambitious programme under the National Rural Employment Guarantee Act (NREGA) got off the ground in Ranchi district on February 2, 2006. "Ranchi was not covered under the National Food For Work Programme and therefore lacked awareness. But we took up the challenge, starting from scratch, and worked hard to formulate and execute the NREGA," says Soan.

The job cards of wage earners issued by *gram sabha*s under NREGA carries the mobile phone numbers of Soan as well as all other relevant officers down the line. Besides, the administration can now be contacted via sms to ensure that, if a particular phone is switched off, the message reaches the officer later. Soan himself attends to the people's grievances every day between 6 and 8 pm. "Once a daily wage earner called and asked me about the statutory minimum wage so that he could assert his right before his exploitative employer," he says.

Soan's initiative has resulted in a quantum jump in job card holders from 60,000 families in September 2006 to over 2,55,000 in June 2007 under NREGA with more than 5,00,000 persons having been registered. There was concern that, in the absence of Panchayati Raj institutions, the role of the *gram sabha* would be insignificant and NREGA implementation would suffer. The optimistic officer saw a silver lining in this dismal scenario and turned *gram sabha*s into vibrant democratic institutions by assigning them crucial responsibilities. They have also been given a key role in selection of *anganwadi* workers and teachers under the Sarva Shiksha Abhiyan.

In Lohardaga, another tribal district, a silent revolution is brewing in the poultry and dairy cooperatives. The architect is Patnaik, the dynamic Deputy Commissioner of Gumla. Lohardaga's economy is based on subsistence agriculture. But dependence on the weather god makes agriculture production erratic. Patnaik, during an earlier stint in Lohardaga from 2004 to 2006, realised that the rural poor needed a self-sustaining project. She decided to start self-help groups in the poultry and dairy sectors.

Studies revealed that the capital of Jharkhand, Ranchi, has a huge market for poultry. About 20 tons of live birds are sold in the city daily but only 5 tons come from the surrounding areas. The shortfall is filled by supply from neighbouring states. PRADAN, a local NGO, was engaged to set up poultry cooperatives – initially in Kuru block of the district. The first venture, the Lohardaga Grameen Poultry Cooperative Society, was formed in November 2002 with 160 members. The state government provided Rs 28.35 lakh to the cooperative.

PHOTO: SHARAD SAXENA

Kamal Kishore Soan and Aradhana Patnaik

Encouraged by the cooperative's success and the huge demand from villagers, the district administration led by Patnaik then decided to take up poultry farming on a large scale – 400 units were set up in 2004-05 and another 400 in 2005-06. The funding came primarily from the Rashtriya Sam Vikas Yojana (RSVY), bank loans and members' contributions. To sustain the poultry cooperative and reduce production costs, the administration constructed a feed plant and hatchery with a capacity for 3 lakh chicks per month. Arrangements were also made for training under RSVY and to fight the bird flu menace.

The cooperative members include women from Scheduled Castes and Tribes belonging to different self-help groups. "The poultry cooperatives have become self-sustainable, have empowered women, reduced migration, created social binding and a sense of collective ownership among the women," says Patnaik.

At present, there are 861 farmers (all women) and the cooperative has an annual turnover of Rs 653 lakh with the average monthly income per member having gone up by Rs 2,000 to Rs 2,500.

The officer has also encouraged women's self-help groups to form milk cooperatives. After two years of rigorous effort, the under-utilized milk chilling and pasteurizing plant known as Shankhdhara, which was procuring only 1,500 -2,000 litres per day (LPD) against its capacity of 10,000, is now getting 5,000 LPD from milk cooperatives and will be able to run at its full capacity soon. g

Milestones is about your good work. Tell us about it by writing to gfilesindia@gmail.com

'People consider RTI their law'
'Our target is 50 crore subscribers by 2010'
PM's Man Friday
'I told PM, civil servants cannot be part-time travellers'
'We're throwing out the old system'

gfiles
INSIDE THE GOVERNMENT

Subscribing to G-Files means value for your money. With each issue priced at Rs.200/- only, we present an offer that's truly competitive, both in terms of price, as well as the quality of premium content that is at your disposal. Avail of a unique combination of news and analyses into the elite world of the real government, the powers that make and implement the decisions that influence yours as well as millions of lives! What's more, G-Files also has a package of yearly subscription that brings you the same premium reading plus allowing you to save on money.

GFILES SUBSCRIPTION OFFER FORM

Yes, I would like to subscribe to G-FILES magazine for the offer indicated below

Tick one	Term (years)	No. of issues	Cover Price (Rs.)	You pay (Rs.)	You save (Rs.)	% Saving
☐	3	36	7200	4680	2160	35
☐	2	24	4800	3360	1920	30
☐	1	12	2400	1800	600	25

Name: Mr/Ms _____ Date of Birth: D D M M Y Y

Address: _____

PIN: _____

Designation: _____ Ph(Off): _____ (Res): _____ e-mail: _____

Please find enclosed Cheque/DD No.: _____ Dated: _____ for Rs: _____ drawn on _____ (specify bank)
favouring SARVASHRESTHA MEDIA PVT. LTD.

Please charge it to my Amex / Diners / Visa / Master Card No. _____ Card Expiry Date: M M Y Y

Signature: _____

Please fill in this order form and mail it with your remittance to SARVASHRESTHA MEDIA PVT. LTD. 118, 2ND FLOOR, DDA SITE 1, NEW RAJINDER NAGAR, NEW DELHI – 110060.

Date: _____

TERMS & CONDITIONS: Rates & offers valid in India only. Three to five weeks for processing of your subscription will be permissible. Add Rs.20/- (Rupees Twenty Only) for cheques and demand drafts from out of Delhi. Please include your name and address on the reverse of your Cheque/Demand Draft. SARVASHRESTHA MEDIA accepts no responsibility for any transit delays, loss, or mutilation of the subscription form. All disputes are subject to the exclusive jurisdiction of competent courts in New Delhi only. For any official enquiry or correspondence, please contact: SARVASHRESTHA MEDIA PVT. LTD. 118, 2nd floor, DDA Site 1, New Rajinder Nagar, New Delhi-110060 Tel: (011) 28744789, TEL/FAX: +91-11-28744789, +91-11-45082832, +91-11-20544692, E-mail: gfilesindia@gmail.com; www. gfiles.info

G-FILES reserves the right to change its subscription rates and other terms and conditions without any prior notice. Your personal details shall be kept absolutely confidential by G-FILES. Please note that the submission of the above subscription form does not in any way guarantee you the right to a subscription of the magazine. G-FILES reserves the right to summarily accept/reject any subscription form.

Brought to you by : gfiles INSIDE THE GOVERNMENT

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 21

Liquidity keeps market on a high

DEFYING uncertainty and widespread scepticism, Indian equities posted handsome gains on fresh buying by FIIs, retail investors and traders. The BSE Sensex made more history when it crossed 15,000, contrary to the popular perception that the Indian stock market is overheated and that the key indices are overvalued.

However, unlike the move from 13,000 to 14,000, which took only 26 days, it has taken 146 days for the index to move from 14,000 to 15,000 – an increase of 7 per cent. This witnessed a healthy correction in February.

During the rise from 10,000 to 15,000, two-thirds of Sensex stocks have actually seen a dip in their trailing P-E ratios. Only Reliance and SBI have seen a re-rating of the sorts with the P-E of Reliance going up to 21.9 from 11.3 and that of SBI to 18 from 10.

The BSE: green and growing

That this time there is no euphoria is another sign that the markets have matured. The price to earning (PE) multiple when Sensex crossed 14,000 in December was a little over 23. It is a little over 21 now. Moreover, share prices are more a reflection of future earnings, not past ones. This makes forward PE more important than the trailing one. Most research houses estimate the forward PE for 2007-08 to be between 17 and 19. If the economy continues to do well and inflation remains under control, with strong corporate growth the current valuations may not appear too expensive. This looks convincing with the PM's Economic Advisory Council estimating the growth rate of the economy at 9 per cent in 2007-08.

There may be concerns in the near term – about the US economy, oil prices, global inflation, liquidity and carry trades – to make the markets volatile in the near term. But any correction that takes place is likely to be short lived due to availability of ample liquidity.

Last year when everybody expected correction, it was Japanese money that took the markets to a newer high. This year it could be Chinese money that may chase Indian stocks. China is sitting on over a trillion US dollars.

The FIIs are surprise beneficiaries of the rupee's rise. A positive outlook on the Indian currency is attracting them to investing in Indian stocks. The net inflow over six months this year has already surpassed the total inflows in 2006. The FIIs invested $8.45 billion till July 13, compared to $7.99 billion in 2006.

Besides, the domestic savings rate of 30 per cent plus is one of the highest in the world. Globally, equities attract an average 15 per cent of savings in any country. This figure is just 4 per cent in India, ensuring perennial flow of domestic liquidity and also making our markets fairly insulated from macro factors such as FII inflows, interest rates and so on.

By and large, Indian investors – both individual and MFs – have displayed less confidence in the Indian economy than FIIs. In this process, they have lost substantial upside because they booked profits very quickly whenever they saw some gains. Big money is made not just by buying right but also by selling right. So, stick to fundamentals with a long-term perspective to encash opportunities for bigger gains. Since the returns in the Indian market are usually concentrated in short intervals of time, a strategy of getting in and out of stocks in a bid to time the markets may make you lose out on that surge.

NIIT Technologies (CMP Rs 474)

WITH the recent beating technology stocks have got, this is probably the best time to give them a relook. NIIT Tech is available at 75 per cent of the peak price of Rs 636 that it achieved recently. The stock available-cum-bonus (1:2) looks cheap at this price. The fiscal concluded has not only witnessed a double-digit sequential growth in net profits but also seen successful integration of acquisitions made. This gave the company access to global Fortune 100 companies. The business momentum is expected to remain strong from key verticals and geographies. The likelihood of sale of NIIT's stake in the company may come soon to give the stock a further fillip. The stock can appreciate by 50 per cent within three to six months.

IOL Chemicals (CMP Rs 68)

A manufacturer and supplier of industrial chemicals and bulk drugs, IOL's products cater to high-growth industrial sectors such as agriculture, textiles, pharmaceuticals and packaging, most of the user industries being drivers of growth in the Indian economy. The company has completed major expansion of its various product capacities and has also set up a 4-MW co-generation plant to meet its energy requirements. The company is a regular supplier to Ranbaxy Labs, CIPLA, Flex Industries, ICI Paints, Asian Paints, Pidilite, Rallis India, etc. as well as overseas customers. For the financial year 2006-07, IOL amassed a revenue figure of Rs 231.7 crore with a net profit of Rs 7.55 crore. On a share capital of Rs 9.45 crore, this gives an EPS of Rs 9.18 and discounts the current market price by less than eight times. Compared to companies with a similar product profile, IOL's valuations appear extremely cheap and can appreciate by 70-80 per cent in six months to a year. g

The author has limited exposure to the stocks recommended with a long-term perspective. gfiles does not accept responsibility for investment decisions by readers of this column. Investment-related queries may be sent to gfilesindia@gmail.com with Dr Sood's name in the subject line.

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 22

How sleuths guarded Pratibha's flanks

IN the Presidential election last month, the towering personality of BJP candidate Bhairon Singh Shekhawat was a cause of sleepless nights for the campaign managers of Pratibha Patil, the UPA nominee. Fearing cross-voting, the UPA preferred not to rely only on political management but to adopt a two-

pronged strategy. It involved seniormost party functionaries and ministers working for Patil on the one hand while, on the other, the Intelligence Bureau's services were engaged.

Party leaders were entrusted with getting feedback from their respective states while the IB was concerned with ferreting out the possibility and magnitude of sabotage from within the UPA constituents across the country. PC Halder, Director, IB, deputed sleuths of SP and DIG rank in UPA- as well as Opposition-ruled states. The feedback from the political observers was matched with the IB reports and, wherever a mismatch occurred, it was the IB input that was relied on.

Thus, it was a relief for the UPA when Halder's report ruled out the likelihood of cross-voting in the states in favour of Shekhawat and predicted smooth sailing for Patil to Raisina Hills. The report also correctly said that the former chief minister of Tamil Nadu, J Jayalalitha, might make a *volte-face* and jettison the Third Front's decision not to support the UPA nominee. Surprisingly, the IB failed to gauge the political mood of the rebel BJP MLAs of Gujarat. They ended up voting for Patil.

RAW chief forced to spy inwards!

SINCE its inception, the Research and Analysis Wing (RAW), India's external intelligence network agency, has built a formidable reputation in not-so-friendly countries. Indira Gandhi's brainchild, working under the Cabinet Secretariat, has always matched its counterparts in developed nations.

Of late, however, RAW's preoccupations have changed. Instead of keeping an eye on neighbouring

and other countries, the agency has been investigating its own officers.

It is an accepted practice that the intelligence agency of every country has to keep its sources alive. To do so, officers posted in foreign countries have at their disposal huge sums. These funds remain unaccounted for. Now, according to Cabinet Secretariat sources, an anonymous complaint has led to RAW Director Ashok Chaturvedi being asked to investigate a peculiar case involving misappropriation of such funds in various ways by his colleagues.

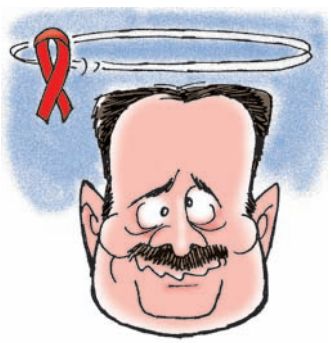
A large number of RAW officers have allegedly put the money into the stock market and real estate, hiring and purchasing houses. All this has led to the loss of valuable informers and is affecting the flow of intelligence input. However, the highly embarrassed RAW officers investigating the case believe it is yet another ploy by an enemy country to demoralize the agency personnel and divert its manpower.

Ramadoss shys away from s-word

THE word "sex" has countless connotations and no one understands this better than Sujata Rao, the Director of the National AIDS Control Organization (NACO) of the Ministry of Health and Family Welfare. NACO has a large fund for its battle against AIDS in the country and, with money being no bar, Rao came up with the idea of sex education in schools to help control spread of the disease.

UNICEF and the Ministry of Human Resource Development were roped in and committees formed to evolve a programme for sex education. A precedent is available in Delhi where the state government is teaching sex education through a book titled *Yuva*. When the teachers read from the book, the students giggle.

However, when Rao's proposal reached the



ILLUSTRATIONS: ARUNA

Minister of Health and Family Welfare, Anbumani Ramadoss, he smelled a conspiracy against him. Already facing flak over his tussle with P Venugopal, the reputed cardiac surgeon who is Director, All-India Institute of Medical Sciences, Ramadoss realized that the sex education project would create a flutter in the media and invite criticism from the saffron brigade.

So he invited Rao to his office and showered her with praise for the splendid project. Then, he advised her to put it on hold and concentrate on other work. Rao has been left disappointed that the land of Kalidas and Khajuraho has become so steeped in politics. And the proposal is languishing inside a file. g

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 23

Be a Winner !!

IME is approved by UGC

Institute of Management Education Society

G.T. Road, Sahibabad, Ghaziabad-201005, Tel.: 0120 - 2621424, 2621425, Fax : 0120 - 2625870
E-mail : ime@vsnl.net, Website : www.imesahibabad.ac.in

आईमी
IME
तमसो मा ज्योतिर्गमय

>> **IME Management & IT College**
- PGDM, MCA (Approved by AICTE, MCA affiliated to UPT University, Lucknow)

>> **IME P.G. College**
- M.Com., B. Lib., BBA, BCA (Affiliated to CCS University, Meerut)

>> **IME Law College**
- LL.B. (3 yr), LL.B.(5 yr) (Approved by BCI & Affiliated to CCS University, Meerut)

Gfiles-Aug-07_mpp 8/5/07 1:26 AM Page 24

POSTAL LICENCE: DL(C)-12/1161/07-09
R.N.I. No: DELENG/2007/19719 Rs. 200

I check-in

Log on to www.indianairlines.in and get your Boarding Pass online

i-check-in

Five easy steps to get a Boarding Pass online: Log onto www.indianairlines.in ▸ Click on I check-in icon ▸ Enter the originating station, PNR and your name ▸ Choose your seat ▸ Print the Boarding Pass

Now Indian introduces I check-in*. It gives you the freedom to check-in through the Internet on www.indianairlines.in. This Internet check-in facility is available 24x7 on all domestic flights. You can choose your seat online. The online check-in is available for flights departing either on the same day or the next day. The passengers holding e-ticket, Dial-A-Ticket, net-ticket or Bid&Fly can check-in online up to two hours prior to scheduled departure of the flight. So, the next time when you travel by Indian, check-in online and ensure that you reach Security Check thirty minutes prior to the departure of flight, along with your photo ID. Happy flying.

इंडियन Indian

Contact Indian ticket counter or approved travel agent for e-ticket or call all India 24x7 flight helpline number **1407** or toll free number **1800 180 1407** from MTNL/ BSNL phones for Dial-A-Ticket.

**Conditions apply*

R K SWAMY BBDO IAL 16730